Sale of hotels of ITDC and HCI

1365. SHRI DEVI PRASAD SINGH: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Government are ready to sell off hotels of ITDC and Hotel Corporation of India.

(b) whether the hotels selected for disinvestment are incurring losses;

(c) the main steps of disinvestment of these hotels; and

(d) the welfare programme for the employees working in them?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE):

(a) *India Tourism Development Corporation*

Accepting the recommendations of the Disinvestment Commission, the Government has decided to disinvest all the 26 hotels of India Tourism Development Corporation (ITDC), in the following manner:—

(i) The four hotels, namely, Ashok Hotel, New Delhi, Hotel Samrat, New Delhi Bangalore, Ashok, Bangalore and Hotel Lalitha Mahal Palace, Mysore on lease-cum-Management basis; and

(ii) the other 22 hotels on sale basis.

Hotel Corporation of India

Accepting the recommendations of the Disinvestment Commission, the Government has decided to disinvest the properties of Hotel Corporation of India (HCI) on a slump sale basis.

(b) *India Tourism Development Corporation*

At the end of 2000-2001, except Lalitha Mahal Palace, Mysore, all other 25 hotels were in losses.

Hotel Corporation of India

At the end of 2000-2001, except Indo Hokko Hotels Ltd. (Centaur Rejgir) all other hotels were in losses.

(c) *India Tourism Development Corporation*

Expressions of Interest were invited for 17 hotels (8 in the 1st tranche & 9 in the 2nd tranche). After due diligence by the qualified parties and finalization of transaction documents, financial bids were invited for the 8 hotels advertised in the 1st tranche. No bids/compliant bids were received for two hotels and in the respect of the remaining 6 hotels, 8 bids in all were received and the

respective highest bids in each of the 6 hoteis have been accepted by Government. The bids in respect of the 9 hotels advertised in the 2nd tranche are yet to be invited. In respect of the remaining hotels, the advertisement inviting Expression of Interest is yet to be issued.

Hotel Corporation of India

A sub-committee was constituted by the Ministry of Civil Aviation to over see the process of disinvestment of HCI and a Global advisor was appointed by Air India for the purpose. The Government later decided to have the process of disinvestment in HCI completed by the Ministry of disinvestment. Financial bids were invited from the bidders for HCI properties (other than Centaur Lake View Srinagar) and after scrutiny & examination, the Government has accepted the bids in respect of two hotels. The other properties (except Srinagar) for which either the bids were below reserve price or no bid was received, further action to re-invite bids would be taken in due course. Regarding Hotel Centaur Lake View, Srinagar, some issues are yet to be resolved with Govt. of Jammu & Kashmir.

(d) Protection of interest of the workers is an integral component of the disinvestment policy. This is ensured by making appropriate provision in the Agreement.

Long-term plan for attainment of disinvestment targets

1366. DR. KARAN SINGH: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Government have drawn out a long-term plan to attain the Tenth Five Year Plan targets of mobilizing Rs. 80,000 crore from the sale of Government equity in PSUs; and

(b) if so, the details thereof?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) and (b) No target has been fixed for disinvestment for the Tenth Five Year Plan. However, the "Approach Paper to the Tenth Five Year Plan", envisages a figure of Rs. 78,000 crore from the sale of Government held equity in PSUs during 2002-2007. Disinvestment is a continuous process and all efforts will be made to achieve the targets to be fixed from time to time..